

MARKETBEAT

San Antonio, TX

Industrial Q3 2018



SAN ANTONIO INDUSTRIAL

Economic Indicators

	Q3 17	Q3 18	12-Month Forecast
San Antonio Employment	1,042k	1,055k	▲
San Antonio Unemployment	3.3%	3.3%	■
US Unemployment	4.4%	3.9%	▼

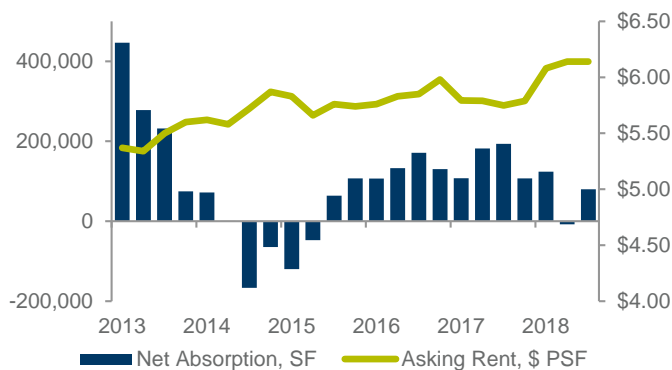
Market Indicators (Overall, All Classes)

	Q3 17	Q3 18	12-Month Forecast
Vacancy	8.0%	9.0%	▼
YTD Net Absorption (SF)	571k	129k	▲
Under Construction (SF)	1.2M	1.3M	▲
Average Asking Rent*	\$5.75	\$6.14	▲

*Rental rates reflect net asking \$psf/year
Under construction not reflective of U.S. MarketBeat table

Overall Net Absorption/Overall Asking Rent

4-QTR TRAILING AVERAGE FOR BOTH



About Cushman & Wakefield

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Economy

Three quarters of the way through a remarkable Tri-Centennial celebration, The Alamo City's economy continues to grow at an impressive pace. Fueled by bio-research, healthcare, tourism, the US Military, and international trade, San Antonio continues to be a key market that attracts new businesses, while boasting a skilled and diverse workforce with an almost 97% employment rate. San Antonio's strategic position along IH-10 and I-35 creates unique opportunities for industry growth dependent on trade and services, and provides avenues for growth and development along the NAFTA corridor. With new projects already in the works, and big plans for development in the city's future, San Antonio's economic future continues to look strong and shine bright.

Market Overview & Outlook

An increase in demands for quality construction projects, together with a steady vacancy rate, reflect San Antonio's growing industrial sector as it continues to increase in total product and quality. Notable development projects, including the new TJ Maxx Distribution Center totaling 1.5 million square feet (msf), and the proposed 2.0-msf distribution center on Lookout Road are the face of a growing market, with a total of 1.3 msf currently under construction city-wide. Rents continue their general trend upwards on a yearly basis, having increased \$0.39 from this time last year. San Antonio's ability to bring companies to a new and steadily growing market, create exciting opportunities in the areas of industrial growth in the city, including the near east side, the CBD, and the south, with the core of The River City's market centered around the highway-interchange clusters, in the east side. The city continues to develop small/medium projects in the 50,000 – 350,000 sf range, adding the flexibility and diversification needed to fuel the market.

As rents continue to increase and vacancies stabilize, San Antonio's market continues to thrive with growth and opportunity, with no signs of slowing down.

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